

**STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES  
DIVISION OF ENGINEERING & ARCHITECTURAL SERVICES  
ENERGY PROGRAM  
OLYMPIA, WASHINGTON  
REQUEST FOR QUALIFICATIONS**

**NOTICE TO ENERGY SERVICE COMPANIES (ESCOs)**

**ESCO services are required to identify, finance, design and install energy and utility efficiency measures for Project No. 2015-181.**

**GENERAL**

This is a pre-qualification of ESCOs for future Energy Savings Performance Contracting (ESPC) projects. There is no minimum number of ESCOs to be qualified and there is no minimum amount of work to be guaranteed for pre-qualified ESCOs. This potential future work is for State Agencies, Public Higher Ed, Public School Districts, Municipalities, and Native American Tribes working through the Washington State Department of Enterprise Services Energy Program (DES Energy Program). This pre-qualification of ESCOs is for work managed by the DES Energy Program, as designated in RCW 39.35A.050. It is not for work contracted directly between the Public Agencies and the Energy Services Company (ESCO). If the Public Agency is not working through the DES Energy Program they must follow an RFP process.

It may be beneficial for the ESCO to review the DES Energy Program performance contracting guidelines prior to submitting a response to this RFQ. The guidelines can be found at <http://des.wa.gov/SiteCollectionDocuments/Facilities/EPC/ESPCGuidelines.pdf>.

ESCOs will be considered for selection based upon their demonstrated ability to identify, design, finance, install, commission, as well as measure and verify energy, water, and solid waste efficiency measures in facilities; to include street lighting.

ESCOs must be a licensed Washington State general contractor at the time of submittal and have engineer(s) licensed in the State of Washington as part of the ESCO team. If a proposed ESCO is comprised of a combination of firms, the lead firm must be identified and the lead firm must hold the general contractor's license.

The evaluation process will be conducted in two phases; 1) evaluation of written submissions and 2) oral interviews; both conducted by a single selection panel.

- **Phase 1** of the selection process will be an evaluation of the written submission from each ESCO. Each ESCO will be individually scored on their submission by each member of the panel. Each panel member can deem an ESCO as qualified (by a minimum score) or not qualified. A minimum collective score from all panel members is needed for an ESCO to move to Phase 2 of the selection process.
- **Phase 2** will consist of an oral interview in the following format: (1) The ESCO will describe their technical qualifications, outline personnel resources proposed to conduct the work, and present the results of a previously completed energy savings performance contracting project from the preliminary audit stage thru the post-implementation measurement and verification period. (2) The panel will ask questions of the ESCO including but not limited to clarification of the ESCOs project presentation. (3) The ESCO will have an opportunity to ask the panel questions and follow up with any further information they want to impart to the panel.

The scoring methodology of both phases will be the same. In order for an ESCO to be deemed qualified a minimum collective score by the panel is required. The final scoring will not result in a ranking of ESCOs.

## DEFINITIONS

**An ESCO** is an energy consultant who engages in a performance-based contracting with a public-sector client agency to develop and install measures that reduce energy, water, and solid waste consumption and/or costs in a technically and financially viable manner.

**An ESCO's experience** is defined as the experience of the firm or its employees and is comprised of those projects that the current staff of the firm has implemented either at this firm or any other firm. If the projects identified were implemented by staff in their tenure at another firm this needs to be clearly identified. The ESCO must have permission from any third-party to use and include their work products in their response.

**An energy services proposal (ESP)** means a written report describing the client agency's facility and those buildings and/or systems that will receive ESCO equipment and services. The ESP identifies and describes in detail the guaranteed maximum project cost, the guaranteed minimum energy savings resulting from the project and the guaranteed equipment performance. The ESP describes how the energy savings will be guaranteed by the ESCO and the schedule for project completion.

**Performance Contracting** means contracts for which payment is conditional upon achieving contractually specified savings (RCW 39.35C.010).

## SCOPE OF WORK

This project is for energy savings performance contracts throughout the State of Washington. The DES Energy Program will provide project management services to State Agencies, Public Higher Ed, Public School Districts, Municipalities, and Native American Tribes who select ESCOs from this prequalified selection.

ESCOs will provide a range of professional services, including energy auditing, building benchmarking, determination of client baseline energy consumption, analysis of impact of identified energy efficiency measures (EEMs), preparation of an energy services proposal (ESP); multi-discipline engineering design of approved efficiency measures, assistance with obtaining and maximizing utility incentives; project construction management, installation of the efficiency measures; financial and risk analysis and management, commissioning of installed project elements, operations and maintenance training for new or renovated systems; and measurement and verification (M&V) of savings. The scope of work may also include the installation of renewable energy projects, such as solar, wind, geo-thermal, etc.

ESCOs will provide a guaranteed maximum project cost, guaranteed minimum energy savings (in native units, represented as dollars), and guaranteed equipment performance for the projects they design and install. Guaranteed savings and performance are to be based upon detailed, site specific information collected in an investment-grade audit. ESCOs must have the financial capability to fund their professional services and the installation of projects and be willing to be reimbursed based upon the savings over the term of the investment.

## SELECTION PROCESS

### Phase 1 – Written Submission

ESCO's Statements of Qualifications for this project will, at a minimum, address the following (26) topics and appendices.

### ESCO's EXPERIENCE

1. The ESCO's experience in auditing and identifying energy efficiency projects. Provide a list of all energy performance contracting projects completed in the past two years (if the ESCO has completed more than 15 projects within Washington State in the past 2 years, the ESCO may list just the Washington State projects, in either case the list should be no longer than the most recent 30 projects), including guaranteed maximum project cost and client contact information.
2. Provide a matrix and description of the range of energy and utility management services provided by the ESCO, including the ESCO's capability to provide the following services: energy auditing, building benchmarking, financing, engineering design, general contracting, construction management/administration, testing and balancing, commissioning, warranty services, M&V processes, energy savings guarantees and facilitating utility participation to maximize utility rebates and incentives. Discuss successful strategies implemented for maximizing utility incentives. Discuss the ESCO's familiarity with M&V protocols and when each is most appropriately applied.
3. The ESCO's experience designing, costing and managing the construction of heating plants(including steam), chilled water plants, heating ventilation and air conditioning systems, heat recovery, energy management and control systems, lighting and lighting control systems, water efficiency, and other utility system improvements including renewables.
4. A description of the pertinent experience of key staff responsible for administration and delivery of any potential work awarded thru this project. This is to include any sub-consultants routinely used for execution of performance contracting work. This is not to be the resumes or curriculum vitae (CVs) of personnel. Resumes or CVs may be attached as an appendix. Please identify the responsible Washington State licensed professional engineer.
5. A discussion of solutions developed to address project-specific challenges encountered by the ESCO during development and delivery of one or more of the projects listed in #1 above.

### MANAGEMENT APPROACH

6. Describe the ESCO's organizational structure for this project. Include the roles and responsibilities of typical ESCO staff and any sub-consultants included on the ESCO's team. For sub-consultants, describe the ESCO's prior experience working with the sub-consultant. Describe whether the project team be sourced locally (WA, ID, OR) or if the ESCO routinely uses out of area staffing?
7. The ESCO's approach to marketing the DES Energy Program to potential client agencies in conjunction with DES personnel.
8. The ESCO's typical approach to project development up to and including the investment grade audit and delivery of the ESP. How are potential EEMs identified and their costs and benefits quantified? Discuss the ESCO's policies and procedures for identifying and accurately describing the project's scope of work within the ESP; at a point in time prior to full design development. Identify the minimum size project your firm would consider viable.
9. The ESCO's routine construction management procedures, including a discussion of the nature of performance contracting when unforeseen conditions arise. How are construction change order proposals used? How do such change order proposals affect the project's guaranteed maximum price?

10. The ESCO's approach to effectively communicating project information with the DES Energy Program prior to sharing it with the client agency. How will this be implemented?
11. The method for sub-contracting the installation of the measures, maintaining cost competitive pricing, and whether the ESCO uses open book pricing.
12. The ESCO's policies and procedures for managing and delivering its committed work products in a timely fashion within contractual obligations; including project development, construction, and post implementation verification.
13. The ESCO's procedures for timely and accurately developing, processing and delivering project paperwork. Project paperwork can include project proposals, construction documents, project change requests, invoices, O&M manuals, commissioning reports, M&V reports and other pertinent paperwork to the DES Energy Program and the client agency.
14. The ESCO's procedures for timely closeout of construction projects including submittal of required prevailing wage and other documentation to Departments of Revenue, Employment Security, and Labor and Industries.
15. The ESCO's approach to sharing EPACT tax credits with client agencies.
16. The ESCO's experience and approach to meeting the public works requirements for apprenticeship training programs as directed by Chapter 39.04.320 RCW.
17. Describe your past performance and success at subcontracting or teaming with Diverse Business. Identify specific strategies you have used in the solicitation and award of subcontractors to achieve Diverse Business participation.
18. The ESCO's policies and procedures for recycling materials such as lamps, ballasts, fixtures, ceiling tiles, and other recyclable material. How will potential hazardous materials encountered in the installation of energy efficiency measures be managed? Has the ESCO been cited by the Washington Department of Ecology, Federal Environmental Protection Agency, or any other regulatory agency for inappropriate handling, transportation or disposal of hazardous materials? If cited what was the ESCO's remedy. Being cited does not automatically constitute disqualification as an ESCO.

#### SAVINGS AND EQUIPMENT PERFORMANCE GUARANTEES

19. The ESCO's project cost guarantee policies, procedures and risk mitigation; including examples of remedies when project costs exceed ESCO estimates.
20. The ESCO's energy savings guarantee policies, procedures, and risk mitigation, including examples of remedies when actual savings are lower than the ESCO's estimates and guarantees, and the length of the savings guarantees.
21. The ESCO's equipment performance guarantee policies, procedures and risk mitigation, including examples of remedies when performance of equipment does not meet expectations.
22. Provide information on the ESCO's warranty enforcement role and the ESCO's responsibility, if any, when there is an equipment failure beyond the warranty period when the client agency has financed the project and assumed ownership of the installed equipment.

#### COMPUTATION OF ENERGY BASELINE AND POST-INSTALLATION ENERGY USE

23. Describe the methodology used to calculate baseline energy use and savings of different types of EEMs. This should include a description of various software tools that are utilized in the calculation process. Include the methodology used for campus settings that are master metered.
24. Describe potential scenarios where a modified baseline may be proposed.
25. Describe the ESCO's utilization of M&V processes in the establishment of baseline energy use and the post installation energy use.

#### FINANCING ABILITY

26. The ESCO's project financing ability. Describe capability for carrying costs until completion of the installation of energy efficiency measures. Describe capability and willingness to fully

finance a project over a financing term, including how the interest rate the ESCO would use is determined. Provide letters of commitment from funding sources or from ESCO's Chief Financial Officer if self-funded. **Tax-exempt municipal lease financing does not qualify for ESCO financing ability.**

## **APPENDICES**

1. The sample performance contracting project called for herein. Include:
  - a. Preliminary Audit findings
  - b. Audit proposal
  - c. Measurement and Verification plan including key variables to be measured
  - d. Investment Grade Audit findings
  - e. Energy Services Proposal with detailed cost breakdown
  - f. Measurement and Verification Report
2. Resumes or CVs of key personnel and sub-consultants indicate if experience was not obtained in house.
3. Completed and signed Federal Form 330.

Note: The sample performance project (Appendix 1) should preferably have been completed within the past two years and preferably be a facility in the State of Washington. The ESCO should be ready to describe (during Phase 2) the energy and utility efficiency measures identified (including pricing), and how accurate the ESCO was in estimating the utility incentive. Pricing will include an itemized breakdown of all costs and fees related to the recommended measures. If the ESCO's original audit results did not include a pricing breakdown, then the ESCO shall attach an addendum describing the costs associated with the recommended measures. The ESCO must also present financing options (including an ESCO proposed financing option with proposed interest rate and loan term) and recommendations made to the facility owner to fund the recommended final project.

## **Phase 2 – Oral Interview**

Phase 2 will consist of an oral interview where the ESCO will describe their technical qualifications, outline personnel resources that are proposed to conduct the work, and present the results of a previously completed performance contracting project from the preliminary audit stage thru the post implementation measurement and verification period. The identified project, to preferably have been completed within the past two years and preferably of a public facility within the State of Washington, should describe the energy and utility efficiency measures identified, including pricing of the recommended measures and how the ESCO estimated the utility incentive. Pricing will include an itemized breakdown of all costs and fees related to the recommended measures. If the ESCO's original audit results did not include a pricing breakdown, then the ESCO shall attach an addendum describing the costs associated with the recommended measures. The ESCO must also present financing options (including an ESCO proposed financing option with proposed interest rate and loan term) and recommendations made to the facility owner to fund the recommended final project. ESCOs will submit the project documentation as part of the **Phase 1** submission to this RFQ.

The period of performance for these ESCO services shall commence once an Agreement is properly signed and expires on June 30, 2017 unless altered or amended.

Voluntary numerical MWBE goals of 10% Minority Business Enterprise and 6% Women's Business Enterprise have been established for this project. Achievement of the goals is encouraged. Bidders may contact the Office of Minority and Women's Business Enterprise to obtain information on certified firms.

Apprenticeship requirements for this project are 15% for any resulting construction contract over \$1,000,000 in value, pursuant to RCW 39.04.320.

ESCOs will be considered for selection based upon the following criteria: Experience; Management Approach; Baseline Computation; Savings and Performance Guarantees; and Financing Ability.

ESCOs desiring consideration shall submit six (6) Statements of Qualifications, which shall include the following: responses to the above twenty-six (26) topics, not to exceed 60 pages (60 pages does not include table of contents); plus appendices. In lieu of a cover letter, please submit an ESCO Summary sheet including Company name, address, main contact with phone/cell number and email address, UBI, State of Washington contractor's license, and Federal ID numbers. Submittals are to be via CD/DVDs only. All documents are to be searchable PDF files.

**The submission must be delivered to and be date/time stamped prior to 5:00 PM, March 6, 2015.  
Address submittals to:**

**Department of Enterprise Services,  
Engineering & Architectural Services,  
Energy Program,  
1500 Jefferson SE  
2<sup>nd</sup> Floor N  
Olympia, WA 98501**

**PO Box 41476  
Olympia, WA 98504-1476,  
Attention Kathi Fyfe.**

**NO FAXED OR EMAILED SUBMITTALS WILL BE ACCEPTED.**

Anticipated dates for interviews are the week of April 27, 2015. If the ESCO wishes to use Power Point for their presentation, a laptop and projector will be provided, please bring a USB flash drive to the interview. ESCOs will be notified of interview status by April 6, 2015.

Questions regarding this project should be directed to Kirsten G. Wilson, PE, Panel Chair, 509.370.0216 or [kirsten.wilson@des.wa.gov](mailto:kirsten.wilson@des.wa.gov). Questions regarding the project selection process should be directed to Kathi Fyfe, Energy Program Analyst, DES Energy Program, 360.407.9372 or [kathi.fyfe@des.wa.gov](mailto:kathi.fyfe@des.wa.gov).

**STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES  
DIVISION OF FACILITIES  
OFFICE OF ENGINEERING & ARCHITECTURAL SERVICES  
OLYMPIA, WASHINGTON**

## **Consultant Selection MWBE Outreach Plan Criteria**

The Department of Enterprise Services is committed to providing the maximum practicable opportunity for participation by minority business enterprises (MBE) and Women business enterprises (WBE) and strongly encourages consultants to work with MBE's and WBEs. Voluntary goals for each project under the On-call Agreement will be established at 10% MBE and 6% WBE participation. Upon request of the Department of Enterprise Services, consultants will be required to provide a report of the actual outreach efforts undertaken to utilize certified MWBEs for any public works contract awarded.

Submit a copy of the firm's MWBE Outreach Plan. The Outreach Plan should demonstrate in detail the specific strategies, approaches, and steps your firm will use in seeking to meet the Department of Enterprise Services' voluntary goals.

The MWBE Outreach Plan should address, at a minimum, the following:

- A. Evidence of the awareness and commitment of the owner(s) and senior leadership of the firm to reaching out to contract with MWBEs, and in meeting DES's voluntary MWBE utilization goals.
- B. Provide the date your MWBE Outreach Plan was adopted by your firm.
- C. Individual names and titles of positions responsible for managing and implementing specific aspects of your MWBE Outreach Plan. For each individual listed, indicate the percentage of their time to be allocated on a weekly basis for issues related to the MWBE Outreach Plan, and how long they have been involved with MWBE outreach efforts with your firm.
- D. Provide a description of the strategies, approaches, and specific steps your firm will take to meet DES's voluntary MBE and WBE percentage utilization goals, which may include but are not limited to a description of the following:
  - 1. The education and training program used by your firm to communicate to your employees your firm's expected employee behaviors and performance relative to implementing the MWBE Outreach Plan.
  - 2. Your firm's participation in outreach events planned by others and/or your firm as a means of developing relationships with MWBE subcontractors.
  - 3. The project-specific outreach your firm utilizes in identifying and contacting MWBE subconsultants through media, government agencies, industry and non-profit associations and organizations, referrals, and relationships.
  - 4. The procedures your firm employs in providing one-on-one assistance to MWBE subconsultants in understanding the project and your firm's selection processes.

5. Describe your MWBE subconsultant mentoring program, if any. Describe any mentoring of MWBE subconsultants that your firm has been involved with or is currently involved with. Please identify the nature and extent of the mentoring, the number and type of firms mentored, how long your firm has been mentoring MWBE subconsultants, and how effective the mentoring has been in the success of the MWBE subconsultants.
  6. Describe any specific actions your firm uses to develop subcontract requirements (such as task breakdowns and delivery schedules) that encourage and permit maximum participation by MWBEs.
- E. Describe how your firm will monitor its progress toward meeting the voluntary MWBE goals on the contract to be awarded based on this RFQ, and how your firm will adjust its strategy as necessary in order to improve its performance in this area.

While DES is interested in contracting with firms who employ a diverse workforce, this should not be part of the MWBE Outreach Plan. The focus is on outreach efforts to contract with minority-owned and women owned business.

Achievement of the goals is encouraged; however, no minimum level of MWBE participation shall be required as a condition of the consultant selection. Qualification submittals will not be rejected or considered non-responsive if they do not include MWBE participation. Minority and Women owned businesses are encouraged to apply and are also required to submit an Outreach Plan.

Adopted March 6, 2013